

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2004-87

February 10, 2004

SEARSPORT WATER DISTRICT
Application for Approval of Issue
Of Securities (§ 902)(\$1,750,325)

ORDER

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

On February 2, 2004, pursuant to 35-A M.R.S.A. §902, the Searsport Water District (the District) filed with the Commission its application for authority to issue two series of bonds (each to a separate lender) in a total amount of \$1,750,325. One series, in a total amount of \$1,428,325, is to be issued through the Maine Municipal Bond Bank for a term not to exceed 30 years and at an annual interest rate of zero percent (0%). Of the amount borrowed, all but \$381,198 is to be forgiven pursuant to the Disadvantaged Community Assistance Provisions of the Safe Drinking Water Revolving Loan Fund. The second series is to be issued to the United States of America, acting through the Rural Utilities Service, in an amount not to exceed \$322,000 at an annual rate not to exceed five percent (5%) for a term not to exceed 40 years.

The District requires these funds to repay the interim financing secured to finance the replacement of water mains, including the mains from Mt. Ephraim Road onto Route 1 as required to comply with the Safe Drinking Water Act.

Pursuant to an Amended Delegation Order dated January 9, 1996 in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapter 9, and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for Maine Municipal Bond Bank, Rural Economic & Community Development Administration and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bond are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to § 902(4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, I

O R D E R

1. That Searsport Water District is authorized to issue its bond or bonds through the Maine Municipal Bond Bank in an amount not to exceed \$1,428,325 for a term not to exceed 30 years at an interest rate of zero percent (0%). Of the borrowed amount, all but \$381,198 will be forgiven pursuant to the Disadvantaged Community Assistance Provisions of the Safe Drinking Water Revolving Loan Fund.
2. That Searsport Water District is also authorized to issue its bond or bonds in an amount not to exceed \$322,000 to the United States of America, acting through the Rural Utilities Service, for a term not to exceed 40 years at an annual interest rate not to exceed five percent (5%).
3. That the District report to the Commission, in writing its doings pursuant to this Order within sixty (60) days of the date of the issue of the proposed bond, or May 3, 2004, whichever may come first.
4. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 10th day of February, 2004.

BY ORDER OF THE DIRECTOR OF FINANCE

Richard Kania
Acting Director

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.